A0400-1

The Aluminum Situation

ECONOMICS AND STATISTICS — SEPTEMBER 1991

INDUSTRY NET SHIPMENTS DOWN 2.9 PERCENT

Preliminary figures for seven months of 1991 indicate that total industry net shipments totaling 9,131 million pounds, decreased 2.9 percent from the seven months 1990 total of 9,402 million pounds. Domestic shipments, totaling 7,410 million pounds, decreased 6.2 percent from the 1990 total of 7,899 million pounds.

U.S. exports of aluminum ingot and mill products totaled 1,721 million pounds during seven months of 1991, increasing 14.5 percent over the seven months 1990 total of 1,503 million pounds. During the same period, U.S. imports totaling 1,783 million pounds, decreased 9.4 percent from the seven months 1990 total of 1,968 million pounds.

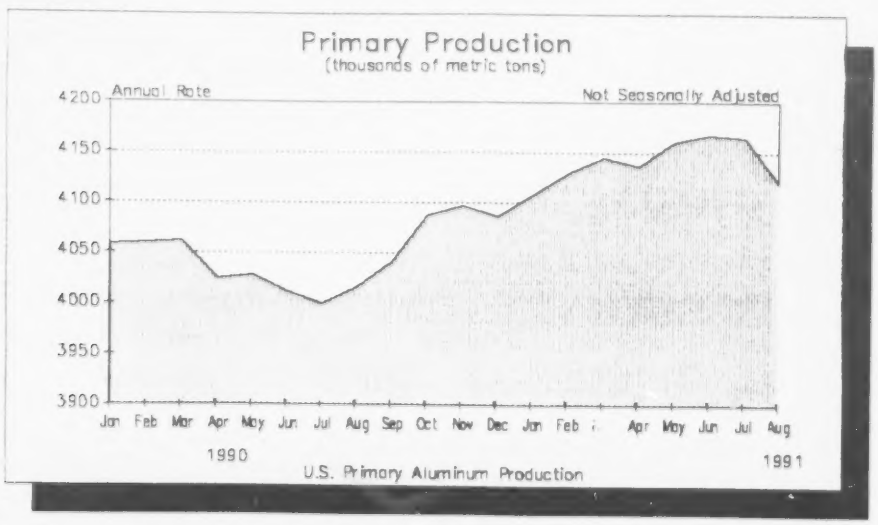
THRU JULY 1991

	1991 7 Mos.	1990 7 Mos.	% Change
Mill Products	7,279	7,713	-5.6
Ingot	1,852	1,689	9.6
Total	9,131	9,402	-2.9
Less Exports	1,721	1,503	14.5
Domestic Total	7,410	7,899	-6.2

Figures in Millions of Pounds
Source: Bureau of the Census
U.S. Department of Commerce

AUGUST PRODUCTION AVERAGES 11,287 METRIC TONS PER DAY

U.S. primary aluminum production averaged 11,287 metric tons daily during August 1991. This compares with an average of 11,004 metric tons a day in August 1990 and 11,410 metric tons a day in July 1991. The annual rate of production in August 1991 was 4,119,625 metric tons compared with 4,016,566 metric tons in August 1990 and 4,164,768 metric tons in July 1991. Production in August 1991 totaled 349,886 metric tons.



This report contains information reported to the Association by the domestic producers, which is aggregated by the Association. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

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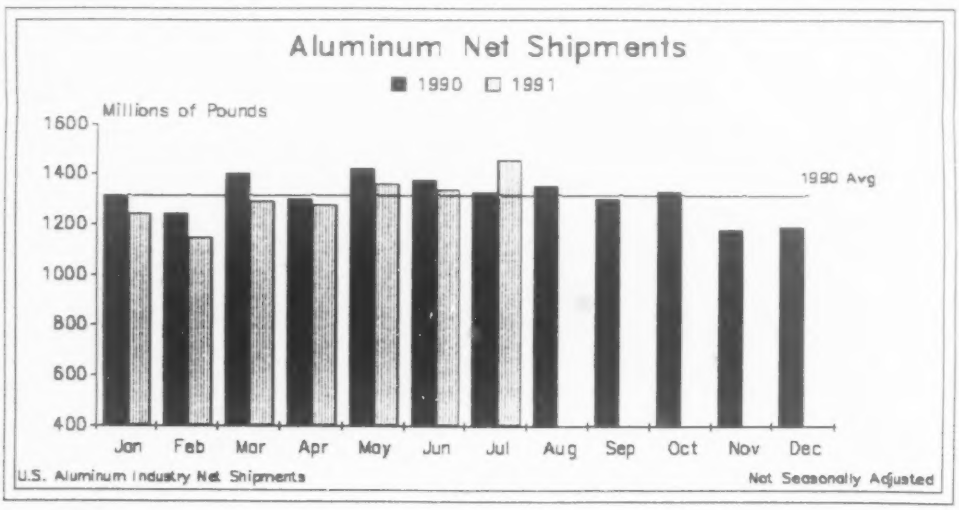
JULY SHIPMENTS REPORTED AT 1,487 MILLION POUNDS

According to Bureau of the Census reports, July industry net shipments totaling 1,457 million pounds, increased 1.1 percent from the previous month's revised total of 1,339 million pounds. Compared to the previous year, reported year-to-date industry net shipments of 9,131 million pounds, declined 2.9 percent from the 1990 total of 9,402 million pounds.

A word of caution: the association believes that net ingot shipments totaling 1,852 million pounds for seven months of 1991, may be substantially overstated because of current industry record keeping methods. Industry shipments to domestic LME warehouses and the resumption of shipments to the national stockpile may be included in net shipments but do not reflect industry demand.

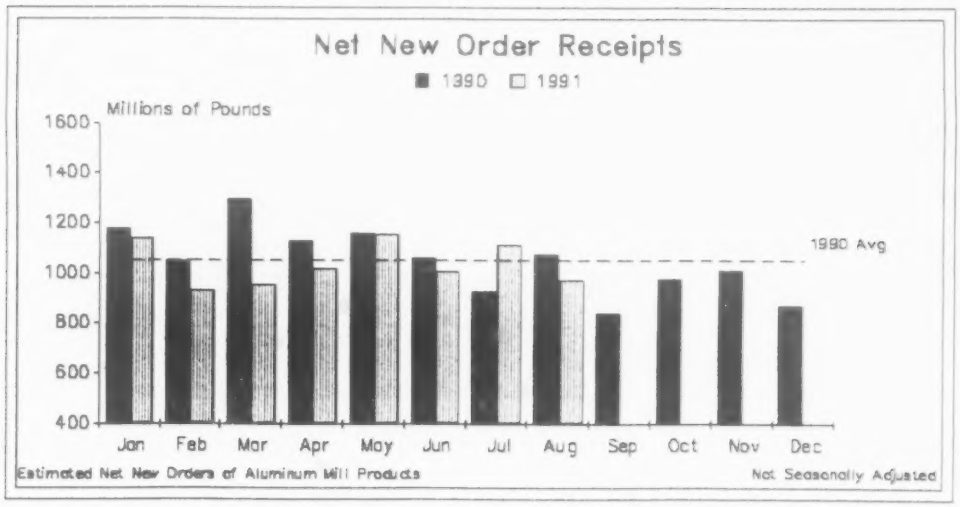


NET SHIPMENTS (Millions of Pounds)	1991 July	1990 July	1991 7 Mos.	1990 7 Mos.	% Change 1991 vs 1990
Sheet	655.1	604.6	4,210.0	4,240.5	-0.7
Plate	18.9	19.1	157.2	162.6	-3.3
Foil	69.3	66.7	481.6	509.5	-5.5
Rod,Bar & Wire	22.0	19.7	144.5	166.8	-13.4
Elec. Conductor	43.5	45.5	335.7	332.5	1.0
Extruded Shapes,Tube	193.8	206.7	1,324.7	1,546.7	-14.4
Powder & Paste	9.4	8.7	57.1	56.8	0.6
Forgings & Impacts	11.3	12.5	86.5	92.1	-6.1
Imports of Mill Products (Total) (a)	66.3	80.4	481.8	605.7	-20.5
Total Mill Products	1,089.6	1,064.0	7,278.9	7,713.1	-5.6
Ingot	367.0	264.3	1,851.7	1,689.2	9.6
TOTAL INDUSTRY SHIPMENTS	1,456.6	1,328.3	9,130.7	9,402.3	-2.9
Exports	265.6	176.7	1,720.7	1,503.3	14.5
TOTAL DOMESTIC SHIPMENTS	1,191.0	1,151.6	7,410.0	7,899.0	-6.2

Source: Bureau of the Census, U.S. Department of Commerce - CIR M33-D
Note: Cumulative data includes revisions for previous periods
(a) Not included in product data above.

AUGUST ORDERS ESTIMATED AT 975 MILLION POUNDS

Estimated net new order receipts of aluminum mill products for August 1991 totaling 975 million pounds, fell 12.7 percent from the revised July total of 1,118 million pounds. Orders for Can Stock, which have been strong all year, dropped to their lowest point in the past 10 months, totaling 287 million pounds. Year-to-Date, can stock orders of 2,875 million pounds increased 6.6 percent over the same period of 1990. Total industry order receipts are estimated at 8,312 million pounds, down 6.6 percent from the 1990 total of 8,895 million pounds.



ORDER RECEIPTS (Millions of Pounds)	1991 Aug.	1990 Aug.	1991 8 Mos.	1990 8 Mos.	% Change 1991 vs 1990
Sheet & Plate, Other	315.4	353.5	2,576.2	2,952.8	-12.8
Can Stock (a)	287.2	302.8	2,874.9	2,695.9	6.6
Foil	82.4	76.3	596.9	702.6	-15.0
Bar, Rod & Wire	36.7	37.7	300.0	360.8	-16.9
Electrical Conductor	56.4	63.1	407.7	372.1	9.6
Extruded Shapes & Tube	177.5	215.8	1,394.9	1,627.3	-14.3
Powder & Paste	7.4	10.9	75.8	86.8	-12.7
Forgings & Impacts	12.1	17.3	85.9	96.9	-11.4
Total Mill Products	975.1	1,077.4	8,312.3	8,895.2	-6.6

Source: The Aluminum Association estimates total industry orders (including orders for imports) based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available on a subscription basis.
Note: Cumulative data includes revisions for previous periods.
(a) Domestic only. Orders for exports of Can Stock are included in Sheet and Plate, Other.

PRODUCER INVENTORIES FALL 34 MILLION POUNDS

Reported producer inventories continued to decline in July, dropping to a reported total of 4,012 million pounds. This represents a 34 million pound decline from the revised June level of 4,046 million pounds.

Month-End Aluminum Producer Inventories
(Millions of Pounds)

	Total	Ingot	Scrap	All Other
May	4,135r	1,545r	587r	2,004r
June	4,046r	1,555r	519r	1,971r
July	4,012	1,462	532	2,019

Source: Bureau of the Census, U.S. Department of Commerce.

CUSTOMER INVENTORIES REPORTED AT 32.0 DAYS

Respondentsto the Association's Customer Inventory Survey reported that their Average Days Inventory as of July 31, 1991 was 32.0, an decrease of 2.4 percent over inventories reported at the end of June.

Month-End Aluminum Customer Inventories
(Average Number of Days)

May	30.3
June	32.8
July	32.0

Source: Aluminum Association - Customer Inventory Position Survey

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U.S. IMPORTS & EXPORTS (Millions of Pounds)		1991 July	1990 July	1991* 7 Mos.	1990 7 Mos.	% Change 1991 vs 1990
Imports	Mill Products	66.3	80.8	481.8	608.5	-20.8
	Ingot	215.0	226.2	1,301.3	1,359.5	-4.3
	Total	281.4	306.9	1,783.1	1,968.0	-9.4
	Scrap (+ dross)	48.4	46.8	279.2	364.7	-23.5
	Grand Total	329.8	353.8	2,062.3	2,332.7	-11.6
Exports	Mill Products	112.8	84.8	741.9	634.8	16.9
	Ingot	152.7	91.9	978.8	868.5	12.7
	Total	265.6	176.7	1,720.7	1,503.3	14.5
	Scrap	75.9	73.7	728.7	628.4	16.0
	Grand Total	341.5	250.4	2,449.4	2,131.8	14.9
Net Imports		-11.7	103.3	-387.1	200.9	-292.7

Source: Bureau of the Census, U.S. Department of Commerce.
(*) Cummulative data may include revisions for previous periods